

Before
Ali Azeem Ikram, Executive Director/Head of Department (Adjudication-I)

In the matter of Show Cause Notice issued to Salman Noman Enterprises Limited

Dates of Hearing

November 17, 2020, November 27, 2020,
December 03, 2020

Order-Redacted Version

Order dated December 23, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Salman Noman Enterprises Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated August 10, 2020
2. Name of Company	Salman Noman Enterprises Limited (the Company)
3. Name of Individual*	The proceedings were initiated against directors of the Company.
4. Nature of Offence	Violations of under Regulation 7 and Regulation 37 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with 512 of the Companies Act, 2017.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of case, relevant provisions of the law and the record placed before me. Based on the aforesaid, it is evident that the Company was required to elect at least one female director as per the requirements Regulation 7 of the CCG Regulations. However, the Respondents neither nominated nor elected female directors in their elections held on March 21, 2020. It is important to mention that in terms of Section 158 of the Act, on expiry of terms of directors, the directors so retiring continue to perform their functions until their successors are elected and therefore such retiring director are required to hold elections. Therefore, it was the responsibility of the Respondents to take steps to enable requisite number of female director to be elected on board in the elections held on March 21, 2020. Furthermore, the Respondent did not provide any supporting evidence in support of their submission in hearing w.r.t constraint in finding eligible female directors or efforts for induction of female directors</p>

	<p>subsequent to elections. Nonetheless, the Respondents have admitted the default in compliance with Regulations.</p> <p>From the above discussion and after careful consideration of all the facts of this case, I am of the view that the provisions of Regulation 7 of CCG Regulations have been contravened and the Respondents are liable under the Regulation 37 of the CCG Regulations read with Section 512 of the Act. Taking cognizance of the submissions of the Respondents and in exercise of the powers conferred under aforesaid provisions of the Regulations.</p> <p>Penalty order dated December 23, 2020 was passed by Executive Director/HoD (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs.25,000/- was imposed on Chief Executive Officer and remaining respondents was warn to be careful and ensure compliance of law in future.
7. Current Status of Order	No Appeal has been filed by the respondents.